

VZCZCXRO3229
RR RUEHBC RUEHDE RUEHDIR RUEHKUK
DE RUEHRL #0810/01 1711347
ZNY CCCCC ZZH
R 191347Z JUN 08
FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC 1488
INFO RUCNIRA/IRAN COLLECTIVE
RUEHRO/AMEMBASSY ROME 1236
RUEHDIR/IRAN RPO DUBAI

C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 000810

SIPDIS, NEA/IR, EUR/AGS, P, E, EUR/ERA, ISN FOR NEPHEW

E.O. 12958: DECL: 06/18/2018

TAGS: [KNNP](#) [MNUC](#) [PARM](#) [IR](#) [GM](#)

SUBJECT: GERMAN MFA READOUT OF SOLANA VISIT TO TEHRAN,
STATE OF PLAY AT EU

REF: (A) SECSTATE 64530 (B) BERLIN 796

BERLIN 00000810 001.2 OF 002

Classified By: Political Minister Counselor Jeffrey Rathke for reasons
1.4(b)/(d)

11. (C) SUMMARY: Upon receiving ref A points, the German MFA's Iran Desk provided a preliminary readout of the June 13-15 visit by EU High Representative Solana to Iran to deliver the P5 1 incentive package. The Iran Desk described Iranian FM Mottaki as "tough and tight" in his meeting with Solana, but characterized Iranian Chief Nuclear Negotiator Jalili as willing to take a "close look" at the offer. The Iran Desk highlighted Jalili's surprised reaction to Secretary Rice's signature on the cover letter. On EU sanctions efforts, the Iran Desk expressed German support for Solana's approval of a June 23 designation of Iranian entities (including Bank Melli) by the EU. The EU3 and Italy are also nearing agreement on a Common Position proposal for the implementation of UNSCR 1803, but are still working out disagreements over which authorities should be responsible for evaluating suspicious financial transactions, as well as whether certain banks should be listed within the Common Position itself or as an annex. She predicted the passage of a Common Position at the July GAERC, but noted that much would depend on the positions of the other 23 Member States.
END SUMMARY.

12. (C) Poloff informed MFA Iran Desk Officer Deike Potzel on June 17 of USG efforts (ref a) to raise international awareness of the delivery of the refreshed P5 1 incentive package to the Iranian government. Potzel said that the German government supported such action and had informed its own missions of the incentive package's contents, but would hold off on releasing the contents to the public until after EU High Representative Solana had presented the package to the U.N.

INITIAL GERMAN READOUT OF SOLANA VISIT TO TEHRAN:
MOTTAKI COLD, JALILI MORE OPEN

13. (C) Potzel provided a limited readout of Solana's trip from the German Embassy in Tehran, noting that German Political Director Volker Stanzel is still traveling in the region and had not debriefed the Iran Desk. According to Potzel, the German Embassy reported that Solana's and the Political Directors' meeting with Iranian Foreign Minister Manouchehr Mottaki had not gone well, describing Mottaki as "tough and tight."

14. (C) The meeting with Iranian Chief Nuclear Negotiator Saeed Jalili apparently went better, perhaps in part because Solana complained to Jalili about the dismissive comments made by Iranian Government Spokesman Elham earlier in the

day, said Potzel. She noted that the German Embassy had highlighted Jalili's reaction to Secretary Rice's signature appearing on the cover letter, saying it "caused a lot of interest and some hectic movement" when they saw it. The German Embassy reported that Jalili emphasized that Iran would take a "close look" at the offer. Jalili was particularly interested in the "way forward paper," and the German Embassy had commented that the paper had brought "movement" into the conversation. Jalili said that Iran would prepare a similar paper and said that a "new way is being created," she said. Potzel commented that Germany now sees the ball as being in Iran's court, but noted the Iranians do not have a lot of time to take action.

GERMANY SUPPORTS EU DESIGNATIONS ON JUNE 23

15. (C) When asked about Germany's position on the timing of EU designation of Iranian entities (including Bank Melli), Potzel said Germany supports Solana's stance that the designations can take place on June 23. Potzel added that "we must all be aware" of what effect the designations may have on Iranian decision-making regarding the incentive package.

EU-3 AND ITALY "VERY CLOSE" ON 1803 COMMON POSITION PROPOSAL

16. (C) Potzel said that Germany is very close to agreement with France, the UK, and Italy on the Common Position proposal for EU implementation of UNSCR 1803. She predicted that the Common Position would be approved by the July GAERC

BERLIN 00000810 002.2 OF 002

at the latest, but noted that much depends on the other 23 Member States.

17. (C) The discussions among the EU-3 and Italy are focused on technical details of financial regulations, said Potzel. One problem area is the question of which body should be responsible for evaluating transactions: France and Germany support establishing Financial Intelligence Units similar to the FATF model, while the UK supports naming "competent authorities." According to Potzel, technical experts have rejected an "and/or" wording to solve this impasse (for a discussion of this issue from the Finance Ministry's perspective see ref B). A second problem area regards how banks are to be listed-- either within the text or as part of an annex. This pertains to both banks in Iran and Iranian-owned/-controlled banks outside Iran. She cited the example of Germany wanting the Future Bank of Bahrain being listed in the text; another country (which she refused to identify) wants the bank to be listed in an annex.

MOTTAKI EDITORIAL HIGHLIGHTS "IRANIAN PACKAGE;" FAILS TO MENTION P5 1 INCENTIVES

18. (U) Meanwhile, Iranian FM Mottaki, aiming at a European audience, claimed in a June 18 op-ed in the German daily Frankfurter Allgemeine Zeitung that Iran has cooperated fully and responsibly with the IAEA and other partners, going beyond its "legal obligations." Mottaki insisted on the "peaceful" nature of the Iranian nuclear program and claimed that Iran had acted in good faith and shown much patience in responding to questions. He called Iran's recent package of proposals a gesture of goodwill, calling them a "singular chance" and expressed hope that the "relevant countries" would recognize the meaning of this offer. He indirectly criticized the P5 1's two-track approach, saying "ambivalent" strategies based on "threat and dialogue" do not lead to a solution of the problem. He expressed the hope

that the P5 1 would consider the Iranian proposal as the basis for a comprehensive resolution of regional and international problems. Completely absent from Mottaki's article was any mention of Solana's visit or the existence of the refreshed P5 1 offer.

TIMKEN JR